

## Message Text

CONFIDENTIAL

PAGE 01 MANAMA 00559 281230Z

42

ACTION NEA-16

INFO OCT-01 EUR-25 ISO-00 AID-20 IGA-02 EB-11 CIEP-03

OMB-01 ACDA-19 TRSE-00 CIAE-00 DODE-00 PM-07 H-03

INR-11 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03

SS-20 USIA-15 STR-08 COME-00 DRC-01 /182 W

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P R 280840Z JUL 74

FM AMEMBASSY MANAMA BAHRAIN

TO SECSTATE WASHDC PRIORITY 1381

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT LEBANON

AMEMBASSY JIDDA SAUDI ARABIA

AMEMBASSY KUWAIT KUWAIT

AMEMBASSY LONDON UK

AMEMBASSY TEHRAN IRAN

C O N F I D E N T I A L MANAMA 00559

KUWAIT PASS DOHA, MUSCAT

E.O. 11652 : GDS

TAGS : PFOR, EAID, DB, US

SUBJECT : U.S. TECHNICAL ASSISTANCE FOR BAHRAIN

1. EXPRESSED GOB DESIRE FOR CLOSER ECONOMIC COOPERATION WITH  
USG IN CONTEXT OF CONTINUED PRESENCE U.S. NAVY HERE FOCUSES ON  
"TECHNICAL ASSISTANCE", MEANING PROVIDING A FEW TOP FLIGHT AMERICAN  
ADVISORS FOR CIVIL MINISTERS AND DEVELOPMENT PROJECTS. IN ESSENCE  
THIS APPEARS TO MEAN ASSURING USG CONTRIBUTION OF UP TO \$1 MILLION  
PER YEAR TOWARD SHARING COST OF SOME 5-20 U.S. EXPERTS GOB MIGHT  
DECIDE IT NEEDS.

2. THIS FELT GOB NEED SPRINGS FROM TWO SOURCES: (A) GOB  
RECOGNIZES BAHRAIN'S FUTURE LIES IN GETTING ON WITH SENSIBLE  
ECONOMIC DEVELOPMENT AND PRODUCING CIVIC INFRASTRUCTURE OF  
HIGH QUALITY. THIS REQUIRES TOP GRADE OUTSIDE ADVICE, AND  
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PAGE 02 MANAMA 00559 281230Z

U.S. LONG RECOGNIZED AS SOURCE OF HIGHEST QUALITY EXPERTISE

IN WIDE VARIETY OF TECHNICAL PROBLEMS FACING BAHRAINI PUBLIC ADMINISTRATION AND ECONOMY. DESIRE FOR USG "TECHNICAL ASSISTANCE" IS LONG STANDING. BEFORE BAHRAIN FULLY CONTEMPLATED INDEPENDENCE, AND LONG BEFORE U.S. NAVY PRESENCE WAS AN ISSUE HERE, BAHRAINI LEADERS ASKED CONSUL GENERAL DHAHRAN FOR USG TECHNICAL HELP<sup>9</sup>. PROBLEM IN THIS REGARD IS THAT GOB FINDS U.S. EXPERTS COST MORE THAN THEY CAN JUSTIFY PAYING AND HENCE NEEDS SOME USG "SALARY TOPPING".

(B) EMERGING FROM OVER CENTURY OF PROTECTIVE TREATY RELATION WITH UK, GOB FINDS COMPOSITION OF U.S. PRESENCE OF CONSIDERABLE POLITICAL AND PSYCHOLOGICAL EMBARRASSMENT IN THAT MOST VISIBLE ASPECT CONSISTS OF U.S. NAVY WHILE THERE IS LITTLE COUNTER-VAILING OFFICIAL U.S. PRESENCE IN CIVIL PURSUITS. WITH GOOD CAUSE, BAHRAINIS LIKE THE U. S. NAVY AND HAVE LITTLE PROBLEM WITH ACTUALITY OF ITS PRESENCE HERE. THE PROBLEM RATHER IS ONE OF IMAGE, THE U.S. NAVY WAS HERE WHEN BAHRAIN WAS PROTECTED SHEIKHDOM; NOW BRITISH MILITARY IS GONE, BAHRAIN FULLY INDEPENDENT, BUT MOST VISIBLE DAY-TO-DAY ASPECT OF U.S.-BAHRAIN RELATIONS IS A NAVAL PRESENCE SUGGESTING, HOWEVER INACCURATELY, THAT SOMEHOW USG IS LIVING IN THE PAST IN ITS VIEW OF BAHRAIN. SOLUTION GOB SEES AS PREFERABLE IS TO BUILD UP TANGIBLE EVIDENCE U.S. CIVIL PRESENCE AND COOPERATION, THUS BALANCING IMAGE OF U.S. MILITARY PRESENCE HERE. "TECHNICAL ASSISTANCE" IS THE MOST ATTRACTIVE WAY, BUT TO BE ACCEPTABLE IT SHOULD BEAR NO DIRECT LINK TO MIDDLE EAST FORCE PRESENCE. FOR THIS BALANCE TO BE EFFECTIVE GOB MUST BE ABLE TO SHOW THAT USG IS CONTRIBUTING FINANCIALLY TO PROVIDING SUCH ASSISTANCE. AT SAME TIME GOB INSISTS IT DOES NOT WANT "UBD" OR "MONEY" AND ASIATTER OF PRIDE AND DISCIPLINE WANTS TO PAY A REASONABLE SHARE OF COST OF ANY U.S. TECHNICAL ASSISTANCE EFFORT.

3. USG PROBLEM IN RESPONDING TO THIS FELT GOB NEED IS THUS TWOFOLD: (1) HOW TO PROVIDE A MODEST CONTRIBUTION, PROBABLY NO MORE THAN \$1 MILLION PER YEAR, TO HELP DEFRAID COST OF AMERICAN EXPERTS; AND (2) HOW TO MAKE SURE SUCH COMMITMENTS, WHICH GOB WOULD VIEW AS HAVING POLITICAL AS WELL AS ECONOMIC IMPLICATIONS, WOULD BE OF LIMITED NATURE, WITHOUT GOB FREQUENTLY COMING BACK TO SUGGEST WE HAD NOT FULLY LIVED UP TO OUR END OF BARGAIN.

4. AT THIS POINT, WHAT WE SEE AS THE MOST WORKABLE ARRANGEMENT WOULD BE AN UMBRELLA GOVERNMENT-TO-GOVERNMENT AGREEMENT IN WHICH  
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PAGE 03 MANAMA 00559 281230Z

USG UNDERTAKES (A) TO PROVIDE UPON REQUEST AMERICAN EXPERTS ON A REIMBURSABLE BASIS UNDER SPECIFIC CONTRACTS TO BE WORKED OUT WITH GOB; AND (B) TO MAKE A SPECIFIED CONTRIBUTION (PERHAPS NO MORE THAN \$1 MILLION PER YEAR) TO A TRUST FUND TO HELP DEFRAID THE COST OF SUCH REIMBURSABLE ASSISTANCE.

5. WE WOULD OF COURSE HAVE TO EXPLORE HOW MUCH GOB IS WILLING TO PAY. OUR TENTATIVE ESTIMATE ( ON BASIS GOB SALARY SCALES,

EXPERIENCE OF UK ADVISERS HERE, AND VARIOUS EFFORTS TO INCREASE NUMBER OF PRIVATE AMERICAN EXPERTS) IS THAT GOB WOULD NOT WANT TO PAY MORE THAN \$15,000 PER ADVISOR. GIVEN HIGH COST OF TRANSPORTING AND MAINTAINING OFFICIAL AMERICANS HERE, WE WOULD HAVE TO EXPLORE VARIOUS METHODS OF COST SHARING. POSSIBILITIES ARE: A) USG MAKE ALL PAYMENTS TO ADVISORS; SALARY, HOUSING, ALL ALLOWANCES, TRANSPORTATION, ETC., WITH A COST SHARING FORMULA FOR GOB REIMBURSEMENT TO BE WORKED OUT, OR B) USG MIGHT PAY ENTIRE SALARY AND GOB WOULD PICK ADVISOR UP "F.O.B." WASHINGTON ' 049;8\$8,& #97 8,&, TRANSPORT, AND ALL LOCAL ALLOWANCES BY STANDARDS GOB WOULD SET AND WE APPROVE. WE SIMPLY WILL HAVE TO EXPLORE THIS AT APPROPRIATE TIME.

6. SUCCESSFULLY LIMITING THE U.S. COMMITMENT UNDER SUCH A PROGRAM SHOULD NOT RULE OUT OUR MAKING A GESTURE OF ADDITIONAL SUPPORT FROM TIME TO TIME; IN FACT A FAIRLY HIGH IMPACT ONE MAY BE NEEDED IN NEAR FUTURE. BUT ANY SORT OF U.S. CONTRIBUTION TO BAHRAIN'S DEVELOPMENT BEYOND SCOPE OF TECHNICAL ASSISTANCE AGREEMENT SHOULD BE VOLUNTARY GESTURE ON OUR PART.

7. I NEED NOT STRESS THAT AN IMAGINATIVE AND

FORTHCOMING USG RESPONSE TO BAHRAIN'S NEED (A) WOULD SERVE TO IMPLEMENT US GULF POLICY AS ENUNCIATED AT HIGHEST LEVEL; (B) COULD BECOME CATALYST FOR DEVELOPING HIGHLY EFFECTIVE U.S. REIMBURSABLE TECHNICAL ASSISTANCE PROGRAM THROUGHOUT GULF; AND (C) SHOULD BE ENTIRELY JUSTIFIABLE SOLELY ON BASIS OF FURTHERING OUR COMMERCIAL INTEREST HERE.  
TWINAM

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## Message Attributes

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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
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